



PORTLAND DISTRICT news

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Volume 1, Issue 3

Your Partner in Business

July, 2000



A Word from our District Director-

Our May 17th Fifth Annual Salute to Small Business Awards Dinner at the Benson Hotel was our most successful event to date with over 300 guests enjoying an entertaining program honoring outstanding businesses and small business advocates from around the state. We raised a record \$15,000 for our Business Resource Center, a state-of-the-art facility established to assist individuals in the development of their businesses. The success of this event would not have been possible without the generous support of our contributors. Thanks to the following organizations for their support of small businesses:

Platinum Contributors:

Daily Journal of Commerce; Donald Erceg, Marketing Consultant; Key Bank; Oregon Economic & Community Development Department; Pacific Continental Bank and West Coast Bank.

Gold Contributors:

Bank of America; Centennial Bank; KBNP Radio-AM 1410; Valley Bank; Wells Fargo Bank and the Woman's Journal.

Silver Contributors:

Evergreen Community Development Association; OCH International, Inc. (Oil Can Henry's); and Pacific Crest Bank.

Bronze Contributors:

Bank of Astoria; People's Bank of Commerce; Portland General Electric; US Bank and Washington Mutual Bank dba Western Bank.

I also want to thank our SBA event committee, our Advisory Council, and SCORE for their hard work in putting on the event and everyone who attended in joining with us to honor our award winners and

helping us make this a memorable evening. Photos from the event follow on the last page.

At the award dinner, Joann Francis made her debut as our new Regional Administrator, and Andrew Munro made his final appearance in Oregon as Regional Advocate. Andrew will be joining Gretchen Sorensen, our former Regional Administrator, at Onvia.com.

We are already planning for next year's event. Because we have outgrown the Benson, we decided to move the event to the Hilton Hotel, Pavilion Ballroom on May 16, 2001. The contributor levels will be similar with the Platinum level contributors receiving a full reserved table; the Gold level contributors will receive a half table and the Bronze contribution level will be increased to \$750. If you are interested in contributing to next year's event, contact Moe Mowery at 503-326-5209.

Thanks for your continued support of small business.

Phil Gentry



Seattle Attorney appointed REGIONAL ADMINISTRATOR

President Clinton recently named Joann H. Francis, an attorney reared and educated in the Northwest, as the U.S. Small Business Administration's Northwest Regional Administrator. As Regional Administrator, Ms. Francis is responsible for the delivery of SBA's financial assistance, business development, and counseling programs in five district offices located in Alaska, Idaho, Oregon, and Washington.

With over 20 years as a practicing attorney, Ms. Francis currently is a partner in the law firm of Foster Pepper & Shefelman LLC, one of the largest

To Provide Quality Resources that Make a Difference for Small Business

(Continued from page 1)

full service Northwest regional law firms. She chaired the firm's Employment and Labor Practice Group and worked closely with new and emerging businesses as well as Fortune 500 companies. In addition, she is a nationally recognized bond attorney. She is on a leave of absence from the firm while she serves in her new role with SBA.

Ms. Francis also co-founded the Washington Consulting Group, Inc. ("WCG"), and served as its Director, General Counsel, and Vice President of Business Development. WCG specializes in developing and administering diversity programs for government agencies and corporate clients.

Prior to starting her own small business, Ms. Francis held positions in government, including serving as a Special Assistant to the Mayor of Seattle. Raised in Yakima, Washington, Ms. Francis received both her bachelor's and law degree from the University of Washington and is a member of several bar associations. Her past and present civic activities include service on a broad variety of boards and committees, including the National Women's Political Caucus, the Northwest Women's Law Center, the Seattle Art Museum African Arts Council, Women in Unity, and the Municipal League of King County. She has traveled extensively and earlier this year was a member of a trade delegation that spent two weeks in China exploring business and investment opportunities.

"Joann Francis brings a wealth of experience to the SBA - as an attorney and business owner - and also as a manager and an expert in the fields of public finance, employment law, procurement and contracting, and federal, state, and local regulatory issues," said SBA Administrator Aida Alvarez. "Her record has been one of extensive professional and community involvement and her familiarity with both the region and the needs of the small business community will make her a highly effective Regional Administrator."

Welcome Joann!



Tour of Successful New Market Businesses



As part of SBA's New Market Outreach, on May 25th representatives of the Portland District office visited African American businesses on upper NE Martin Luther King Jr. Blvd, N Williams, NE Alberta, and NE Killingsworth. The SBA tour group members included members of the SBA staff and James Taylor, Vice President of Commercial Lending at Albina Bank who led the tour.

We started our tour at the new Billy Reed Complex on NE Martin Luther King Jr. Blvd. This new upscale complex houses business establishments and residential apartments. The current business owners moved here after operating their businesses for more than ten years at "humble" locations. We visited Vessels and Co., Sheba House of Elegance, Brown Sugar & Spice Talent Management, Phat Gear, a deli/grocery store/washer and dryer business, as well as a number of art galleries.

All of the business owners in the complex gave us warm welcomes. They were pleased and surprised by our interest. The discussions were so successful that the business owners volunteered to share with other small businesses and potential business owners the new information they received. One successful discussion led to interviews with Phyllis Gaines, owner of Vessels, and Assefah Melles, owner of Sheba House of Elegance, for the ***DreamBuilders*** television show.

We next visited Roslyn's Garden Coffee House and Shades of Color. Across the street from these two businesses, Roslyn recently built a new building, and she leases the bottom space to a hair products wholesaler and the top space as apartments. Roslyn's construction continues with a new building going up next to the hair products wholesaler.

At the Art of Maintenance Auto Electric Service, the current owner told us that he purchased the business in 1977, and he was very knowledgeable about redevelopment in the neighborhood. Another neighborhood success, The Renaissance Market, is owned by Temple Emmanuel's non-profit organization. The son of Reverend Wells,

(Continued from page 2)

Pastor of Temple Emmanuel, explained the history of the purchase and described plans to upgrade. The tour ended at Doris' Café, home of the best barbecue in town, with owner Rosie Dean and her son. Rosie is a past recipient of the Successful Business Award from the Minority Enterprise Development Week Committee.

Everyone involved agreed that the visit was a success and should be followed by more visits showing the friendly face of SBA and the New Markets lenders. So much redevelopment is taking place in our minority neighborhoods that this is truly a great time to share information about our programs and services.

Next stop? The Portland District Office will plan visits in other local neighborhoods such as Asian and Latino business communities! Don't be surprised if we visit your neighborhood.

See you soon!



Getting Paid — the E-Commerce Way



Newly emerging technologies create many questions about document transfer and electronic payments in international business. A half-day seminar offered by the U.S. Export Assistance Center during May in Portland "was an outstanding opportunity to compare and contrast various new capabilities so that businesses could examine the strengths, weaknesses and applicability to their organizations," said Inge McNeese, SBA's Export Finance Manager at the Export Assistance Center located at the World Trade Center in Portland.

The seminar brought together leading experts from the industry, such as TradeCard, AVG Trade Group, Western Union, SWIFT, and VeriSign, with several representatives from the banking industry for a preview of how technology will impact current practices.

Use SBA Loans for Exports

Export Working Capital financing is still a challenge for many small exporters, and they miss out on export sales simply because they lack financing.



It is not necessary to turn down opportunities in foreign markets for lack of capital to buy inventory or lack of liquidity for selling on 60 - 90 day terms. SBA's export finance program, the Export Working Capital Program, offers a U.S. government guaranty (90%) to banks for transactional, short term lending. Since the repayment of the loan is through collection of foreign receivables, it is easier for young export companies, who may not qualify on the strength of their balance sheet alone, to get these SBA guaranteed loans.

The program increases access to capital for exporters by expanding their borrowing capacity for financing foreign contracts, letters of credit, and foreign receivables, which are typically excluded from their borrowing base. Pre-export financing can help when supplier terms are not long enough and can also finance inventory and overhead. With post-export financing, the payment cycle is shortened which allows U.S. exporters to be more competitive by offering terms to their customers abroad.

All types of export business are eligible to apply: manufacturing, service industries, brokers, and suppliers to export firms. Also eligible for financing are Standby Letters of Credit for Bid Bonds or Performance Bonds; and backup for down payment on a contract sale. For greater detail or information on how to apply, contact Inge McNeese at 503-326-5498.




AUTHORIZATION VERSION 3.0 MANDATORY

All SBA loan authorizations have moved to an annual update version. The Year 2000 update version for both the 7(a) and the 504 Boilerplates is Version 3.0. Please check to be sure that you are using the correct version.



VOLUNTEERS NEEDED

In 1964 the U.S. Small Business Administration officially launched the Service Corps of Retired Executives (SCORE) with 2,000 volunteers offering free business counseling to business owners. Now 36 years later with over 12,500 volunteer counselors—either retired or actively employed, small business owners, executives and professionals like **YOU**, continue to provide advice based on their own experiences.

Today c o m -  SCORE is stronger than ever in its commitment to offering valuable and confidential counseling for small business owners. By becoming a member of SCORE, you can use your expertise as a successful entrepreneur to benefit others and be a part of a nationally recognized association that helped nearly 3,000,000 people last year.

For more information about volunteering for SCORE or to find a SCORE office near you, call 503-326-3441 or 503-326-5211, or write to SCORE; 1515 SW Fifth Ave. Suite 1050; Portland, OR 97201-5494.



New SCORE Web Site

The new SCORE Small Business Web Site www.score.org launched in June. The web site is redesigned and redeveloped with new content areas, functionality and interactive features for online counseling. The new site features ten content areas including weekly small business polls, small business quizzes, and an all new Business Resource Index.

SCORE Poster Boy



A couple of years ago, Counselor Bill Sarnoff of Eugene Chapter #416 counseled a local physical fitness gym on marketing ideas to help attract senior members (female as well as male). The need was to generate mid-afternoon traffic since the entire facility was virtually empty, yet a full staff was available to maintain the facility for early evening racquetball leagues. An ongoing overhead expense with no paying members to defray that expense was the challenge facing the gym's management.

While never an athlete, but with a career in Market Research, Counselor Sarnoff thought it could be helpful if he were to don sneakers and sweats and actually sample some of the weight and strength building machines. A tough row to hoe for seniors, but eight, brightly lit yet empty, racquetball courts caught Sarnoff's eye. Why not a "fuddy duddy" competition for folks 55 plus!

But how to attract them to visit the place, much less join? Free fitness exams (strength and cardio), free cholesterol checks and happy hours featuring local nutrition experts to discuss diets and exercise. After the start-up promotions had run their course and the seniors had settled in to their preferred exercise routines, Sarnoff acquired a second hand racquet and practiced easy volleys in mid afternoons when courts were unoccupied.

As a lark, Counselor Sarnoff, at age 74, signed up for a Fall 1999 evening men's open singles tournament with players ages ranging from 19 to 44 and WON first place. Since winning, Eugene SCORE Counselor Bill Sarnoff, now nearing 75, has become the poster boy for his client and is seen on both local TV and in print ads. Talk about believing in your clients, Counselor Bill goes all the way.



Oregon Small Business Person of the Year



John R. Bendit
- Upscale Automotive

John R. Bendit, the SBA's Oregon Small Business Person of the Year, started Upscale Automotive in 1983 with his business partner, Patrick Hickman. The business is an auto repair shop, which specializes in Japanese imports, domestic light trucks, SUV's and minivans.

In John's first year in business he generated \$166,245 in gross sales and now has sales of over \$1 million. The company has been at the same location in Tualatin for the past 17 years. Today, John employs nine people in quality, stable, growth-oriented jobs, with good benefits. Business integrity is a company policy and excellence is the goal of the staff. To quote the Mayor of Tualatin, "John is the epitome of the business person a city is pleased and proud to host."

Upscale Automotive bills itself as "A Leader in the Automotive Service and Repair Industry." It lives up to that standard by providing highly trained professional staff, state-of-the-art equipment, reasonable rates and innovative services such as a quarterly customer newsletter, 90-days-same-as-cash credit option, "Dollar-a-Day" loaner cars, and semi-annual free seminars on "How to Maintain Your Car in the 21st Century."

Upscale Automotive has been a member of the Tualatin Chamber of Commerce since 1986 and John has served on the Board since 1996, including having served as President. He was selected as the Tualatin Chamber's Business Person of the Year in 1997. He received the 1998 Outstanding Business Award from the Tualatin Rotary. John is also a longtime active member of the Pacific Automotive Trades Association and the Automotive Service Association.

He donates his time and talent to such committees and organizations as the Transportation Manage-

ment Association, the One-Stop Program, the Tualatin Resource Center and School-to-Career programs.

Mr. Bendit was nominated by Marianne L. Pratt, Executive Director, Tualatin Chamber of Commerce.



2000 Small Business Winners

Small Business Person Of The Year

John R. Bendit
Upscale Automotive
Tualatin OR

State and Regional

Small Business Exporter Of The Year

John C. Hagler
Classic Trolley Inc.
Medford OR

Small Business Journalist Of The Year

Steve Woodward & Jacqueline Love – Reporters
The Oregonian
Portland OR

State and Regional

Minority Small Business Advocate of the Year

Phyllis S. Gaines
Vessels
Portland OR

Financial Services Advocate of the Year

Oregon Certified Business Development Corp.
Cherie Folkens - Jim MacKinnon - Kelley Mears
Redmond OR

Women In Business Advocate Of The Year

Mary O'Kief, Executive Director
Southern Oregon Women Access To Credit
Medford OR

Accountant Advocate Of The Year

Bryan P. Fitzsimmons, CPA
Lincoln City OR

Veteran Small Business Advocate Of The Year

Carl Whaley, Team Leader
Veterans Outreach Program
Salem Veterans Center
Salem OR

COMMUNITY ADJUSTMENT & INVESTMENT PROGRAM

The North American Development Bank recently initiated a program to assist certain communities that have suffered significant job losses attributable to changing trade patterns with Mexico and Canada following the North American Free Trade Agreement (NAFTA). The United States Community Adjustment and Investment Program (CAIP) was created to provide financial resources to assist in the creation or preservation of private sector jobs in eligible communities that need assistance to adjust to these job losses. Applicants must be located in, or relocating to, specific geographical areas designated by the U.S. Treasury and the North American Development Bank

Financial Assistance is currently available to eligible SBA 7(a) loan recipients located or to be located in Linn County, Oregon and Cowlitz County, Washington (area restricted by eligible boundaries along I-5 as far south as Longview). The addition of Lane County, Oregon, to the list of eligible geographic areas is currently under review. Financial assistance is provided by the North American Development Bank (NADBank), who will pay the SBA guaranty fee on behalf of the SBA borrower. This will save the borrower from 2% to 3% of the guaranty loan amount

In order to be eligible, applicants must also provide a written estimate showing that the loan will create at least one new full time equivalent (FTE) job or preserve an existing FTE for each \$70,000 in the SBA- guaranteed loan amount. An FTE is defined as a combined total of 40 hours per week. To calculate the required FTE, divide the SBA-guaranteed share of the proposed loan by \$70,000.

Currently the CAIP program is open only to recipients of SBA (7a) financing, although an enhancement to extend CAIP to the SBA 504 loan program is currently under review. All SBA CAIP applications must be submitted by the participating lender to the appropriate SBA field office for processing under the 7(a) program. To take advantage of this program, even loans normally processed by the LowDoc and PLP processing

centers must be submitted to the Portland District Office for processing.

For details on the operation of the SBA CAIP program, please contact Joe Martinez at the Portland District at 503-326-5214 or visit the SBA's national web site at <http://www.sba.gov/financing/frcaip.html>.



Religion & SBA Eligibility

The Portland District Office has been seeing more loans recently that have a religious component. In 1996, the SBA rewrote all of our regulations in "Plain English", including the definitions of ineligible businesses. The definition of a loan that is ineligible because of its religious component was modified. For the current regulation, See 13 CFR § 120.110(k).

The SBA Finance Standard Operating Procedures (SOP) were rewritten in 1997, giving some additional guidance to the ineligibility regulation. The SBA regulation and SOP are based on a complex area of constitutional law. From our recent experience with loan packages submitted for businesses that have a religious component, we strongly urge you to contact the Portland District office as soon as you are aware of any religious component.



SBA's SPEAKERS BUREAU

The Portland District staff spoke to over 2,930 attendees at 53 functions during the first six months of fiscal year 2000. Our staff is willing and eager to inform the community on our programs and services. To arrange for a speaker for your group or association contact Moe Mowery 503-326-5209.





A message from -

SCORE Chapter #480 Bend Oregon

A group of active and retired business persons are making life easier for others who are trying to develop their own businesses. The Service Corp of Retired Executives (SCORE), has been around for many years in Central Oregon and is making a new push to raise awareness of the group's services and to recruit new members.

The group has helped everyone from first-time sole proprietors to international corporations – and all for free. The counselors volunteer because they like to put something back into the community. The organization has executives who focus on assistance in accounting, legal counsel, investment counseling, restaurant management, marketing, computer application, E-commerce and more. Although primarily for small businesses, SCORE helps bigger businesses by focussing on a particular department like marketing, for example.

Working closely with the Bend Chamber of Commerce, SCORE has served hundreds of clients. It now holds 55 client meetings a month, up from 31 last year.

SCORE's telephone number is 541-923-2849.



IMPORTANT REMINDERS:

GUARANTEE FEES & AVAILABLE LOAN FUNDS



⇒ You Must Pay to Play

Recent SBA policy changes have brought stricter requirements as to the payment of 7(a) guaranty fees. For loans with a term of one year or less, the fee must accompany the loan application. For longer loans, current rules require that the guaranty fee be paid within 90 days of SBA approval or the guaranty will be cancelled. The lender must pay the fee even if the loan has not been disbursed.

The district office has no authority to extend the

time period for paying the fee, even though we may approve an extension of the disbursement period.

⇒ Refunds

If the loan is cancelled in its entirety, the fee can be refunded. The Lender must send a letter request to the Portland District Office Finance Division to request that the loan be cancelled. The Portland District Office version of the SBA Form 2004 can also be used for cancellation.

⇒ Making More Loan Money Available

Timely cancellation of loans, or portions of loans, that won't be disbursed allows the SBA to reuse those appropriated funds for other borrowers. As soon as you know that any part of a loan will not be disbursed, please notify the Portland District by letter or with SBA Form 2004.

Thank you for your continued partnership.



MED Week Luncheon & Trade Show

The annual Minority Enterprise Development Week Luncheon & Trade Show is slated for October 5, 2000 at the Oregon Convention Center. At the luncheon we will honor several of our state's successful minority entrepreneurs. These individuals will be recognized for successful business development and contributions made to their communities.

Nominated firms must be at least 51% owned and operated by a socially disadvantaged individual(s) that is a member of one of the following ethnic groups: African American, Hispanic American, Native American, Asian Pacific American or Sub-Continent Asian American. The businesses nominated must be in a satisfactory financial condition and have a good record of service in the community or charitable affairs.

The Small Business Administration is requesting nominations for these awards. A nomination form can be obtained by contacting Mary Jo Witty at 503-326-5105.

FY 2000 LOAN PRODUCTION as of 06/30/00

LENDER NAME	NUMBER OF LOANS	APPROVAL AMOUNT \$'s
ALBINA COMMUNITY BANK	6	1,271,000
AMRESKO INDEP. FUNDING INC.	1	1,632,000
ASSOCIATES COMM. CORP. - DELAW	1	57,000
BANK OF AMERICA	3	470,000
BANK OF ASTORIA	1	520,000
BANK OF CLARK COUNTY	11	2,098,220
BANK OF SOUTHERN OREGON	2	205,000
BANK OF THE CASCADES	8	671,600
BANK OF THE NORTHWEST	1	100,000
BANK OF THE WEST	5	1,146,600
BANK UNITED	7	4,855,000
BORREGO SPRINGS BANK	3	1,355,000
BUSINESS LENDERS LLC	1	150,000
CASCADES WEST FINANCIAL SERVICES, INC.	10	4,053,000
CCD BUSINESS DEVELOPMENT CORP.	2	1,239,000
CENTENNIAL BANK	16	3,780,100
CIT SMALL BUS. LENDING CORP.	15	7,316,100
CITIZENS BANK	1	60,000
CITY NATIONAL BANK	1	302,000
COLUMBIA RIVER BANKING COMPANY	7	956,000
COLUMBIA STATE BANK	1	100,000
COMMUNITY FIRST BANK	2	240,000
COWLITZ BANK	3	420,000
EVERGREEN COMMUNITY DEVELOPMENT ASSN.	11	6,459,000
FAMILY SECURITY BANK	1	65,500
FIRST INDEPENDENT BANK	1	55,000
FIRST SECURITY BANK	1	51,500
FIRST UNION SMALL BUS. CAPITAL	14	9,843,200
GE CAP. SMALL BUS. FINANCIAL CORP.	5	2,476,300
GOLETA NATIONAL BANK	5	2,576,000

FY 2000 LOAN PRODUCTION as of 06/30/00
(CONTINUED)

LENDER NAME	NUMBER OF LOANS	APPROVAL AMOUNT
HELLER FIRST CAPITAL CORP.	4	2,360,000
IMPERIAL BANK	3	1,140,000
KEY BANK	17	1,768,000
McKENZIE STATE BANK	1	95,500
MERCHANTS BANK	6	791,000
MID-VALLEY BANK	1	180,000
NATIONAL BANK OF ALASKA	1	80,000
NORTHWEST SMALL BUS. FINANCE CORP.	6	4,559,000
OREGON CERTIFIED BUSINESS DEV. CORP.	1	558,000
PACIFIC CONTINENTAL BANK	51	14,287,400
PACIFIC CREST	1	260,500
PEOPLE'S BANK OF COMMERCE	31	4,785,500
SCOTIABANK	1	150,000
SCOTT VALLEY BANK	1	60,000
SOUTH UMPQUA STATE BANK	1	27,000
TODAY'S BANK	6	849,045
TRANSAMERICA SMALL BUS. SERVICE	6	1,974,000
US BANK, NATIONAL ASSOCIATION	35	12,723,400
VALLEY BANK	49	12,252,130
VALLEY OF THE ROGUE	1	91,100
WASHINGTON MUTUAL BANK dba WESTERN BANK	15	1,665,925
WELLS FARGO BANK	10	2,778,000
WEST COAST BANK	25	5,504,300
WESTMINSTER DEVELOPMENT BANK	1	60,000
ZIONS FIRST NATIONAL BANK	1	351,000
TOTAL	421	124,100,920



MINORITY ENTERPRISE DEVELOPMENT CONTRACTS AWARDED

The 8(a) Business Development program, providing assistance to small businesses owned by socially



and economically disadvantaged individuals, awarded 92 contracts for the nine-month period ending June 30th assisting 36 businesses. In addition, 158 modifications were issued for a total contracting value of \$14,265,202.

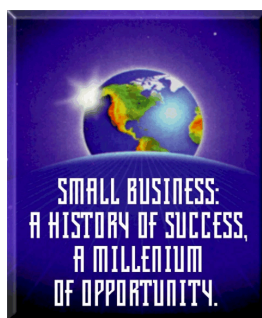
The 2000 Salute to Small Business Awards Dinner was a great success as shown by the pictures below.



Back Row L-R: James MacKinnon; Kelley Mears; Carl Whaley;
John Bendit; Cherie Folkens; Brian Fitzsimmons
Front Row L-R: Mary O'Kief; Phil Gentry; Joann Francis;
Phylliss Gaines; John Hagler; Steve Woodward; Jacqueline Love



Keynoter - Joan Hartley



Regional Administrator -
Joann Francis



Larry Johnson Kathleen Ayres
Mrs. Larry Johnson



Manuel Castaneda Joe Martinez



Gale Castillo Humberto Reyna



Bianca Hein Tim Shea
Sal Kadri



Sylvia Gercke Pam Caplenar
Sue Richardson



Sherry Sheng Spike Wadsworth
Sam Brooks